

Decision No. 31421

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
DOS PALOS TELEPHONE CO., INC.,
a corporation, for authority to issue
notes.

Application No. 23618

BY THE COMMISSION:

ORIGINAL

O P I N I O N

Dos Palos Telephone Co., Inc., a corporation, owns and operates a telephone system in the City of Dos Palos and surrounding territory. To improve its telephone service it proposes to replace its present magneto equipment with common battery manual equipment. To accomplish this end it has entered into an agreement with the Kellogg Switchboard & Supply Company, a corporation, for the purchase at a cost of \$3,946.71 of common battery manual equipment including the ringing, switchboard and power equipment. Of the purchase price, applicant will pay \$2,500 upon the delivery of the equipment at Dos Palos and the balance, amounting to \$1,446.71, together with interest at 5% per annum, at the rate of \$75 per month. A copy of the agreement is filed in this proceeding as Exhibit B.

Dos Palos Telephone Co., Inc., as of December 31, 1939, reports assets and liabilities as follows:-

A S S E T S

Plant and equipment	\$47,850.87
Cash	148.58
Due from subscribers and agents	558.72
Materials and supplies	<u>733.24</u>
Total assets	<u>\$49,291.41</u>

LIABILITIES

Capital stock	\$27,710.00
Accounts payable	4,497.53
Depreciation reserve	10,504.62
Surplus	<u>6,579.26</u>
Total liabilities	<u>\$49,281.41</u>

Upon the replacement of the present magneto equipment, applicant should credit the cost of the replaced property to appropriate plant and equipment accounts, and charge to such accounts the cost of the new common battery manual equipment.

The Dos Palos Telephone Co., Inc., for the year 1939 reports operating revenues at \$16,284.38 segregated as follows:-

Exchange revenues	\$11,265.14
Total revenues	4,640.29
Miscellaneous revenues	378.95

The company's operating expenses, reported at \$11,952.58, include \$2,100 for depreciation. Deducting this sum from the operating revenues leaves net telephone operating revenues of \$4,331.80. Its taxes for 1939 amounted to \$2,402.47, resulting in a telephone operating income of \$1,929.33.

ORDER

The Commission having considered the request of Dos Palos Telephone Co., Inc., and it being of the opinion that this is not a matter in which a hearing is necessary, that the money, property or labor to be procured or paid for through the execution of the agreement filed in this proceeding as Exhibit B, is reasonably necessary by applicant for the purposes herein stated and that the expenditures for such purposes are not in whole or in part reasonably chargeable to operating expenses or to income, and that this application should be granted, as herein provided, therefore,

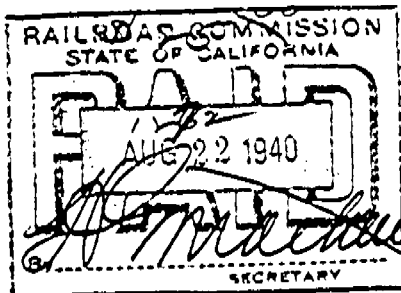
IT IS HEREBY ORDERED that Dos Palos Telephone Co., Inc. be, and it is hereby, authorized to execute, after the effective date hereof and prior to December 1, 1940, an agreement similar in form to the agreement filed in this proceeding as Exhibit B, for the purpose of acquiring from the Kellogg Switchboard & Supply Company the common battery manual telephone equipment described in said agreement.

FURTHER

IT IS HEREBY ORDERED that the authority herein granted will become effective when Dos Palos Telephone Co., Inc. has paid the minimum fee prescribed by Section 57 of the Public Utilities Act, which minimum fee is Twenty-five (\$25.00) Dollars.

IT IS HEREBY FURTHER ORDERED that Dos Palos Telephone Co., Inc. shall file with the Commission within thirty (30) days after the execution of said agreement a statement showing the date on which the same was executed, and shall within sixty (60) days after the completion of the installation of the common battery manual telephone equipment file a report showing, among other things, the cost of the new telephone equipment, the accounts to which the cost of such telephone equipment has been charged, the amount charged to each account, and a copy of each journal or other entry recorded on its books for the purpose of writing off the cost of the magneto telephone equipment and appurtenances replaced and no longer used by said Dos Palos Telephone Co., Inc.

DATED at San Francisco, California, this 20th day of August, 1940.



Ray J. Ciley
State Controller
Robert H. ...
Justice J. ...
COMMISSIONERS